

# Auto Detailing

Johnson's Mobile Detail

1550 Wildwood Road  
Columbia, MO 65201

*Kari Lucke*

*Johnson's Mobile Detail will provide car washing and detailing services to customers in the Columbia, Missouri, area.*

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## INTRODUCTION

### **Mission Statement**

Johnson's Mobile Detail will provide car washing and detailing services to customers in the Columbia, Missouri, area. As a mobile operation, Johnson's will provide these services at the customers' home, business, or other select location. Johnson's mission is to provide excellent customer service at a reasonable price to individual car owners and car dealerships.

### **Executive Summary**

Owned and operated by Robert and Misty Johnson, Johnson's Mobile Detail provides interior and exterior cleaning of all vehicles, including cars, trucks, SUVs, boats, and airplanes. Individually owned luxury cars and used cars sold by car dealerships are expected to account for the largest percentage of business. Start-up costs are minimal compared to an on-site operation, and customers appreciate the fact that the service comes to them. In today's society, convenience is one of the keys to gaining business in a service industry.

### **Business Philosophy**

Although Johnson's Mobile Detail will obtain some business from local car dealerships, the focus will be on luxury automobiles, such as Lexus, BMW, Mercedes, and so on, owned by individuals. The philosophy at Johnson's is that one's car is a reflection of oneself, and people who drive cars that are clean and neat—both inside and outside—feel better about themselves. A clean car can make a driver feel more in control, less stressed, more professional, and so on. Thus Johnson's is in the business of not only cleaning and detailing cars but also, as a result, making people feel good. Business taken in from used car dealerships, which mainly look for detailers who can make cars presentable for resale, has a different focus and is more reliant on quantity and efficiency.

Luxury car drivers are the main market for the business for the simple reason that they are more likely to be able to afford the types of services offered by Johnson's. Another rationale is that the cost of detailing a luxury automobile represents a small fraction of what the car is worth.

### Goals and Objectives

- Realize a profit by the end of the first year of business.
- Establish a reputation as one of the premier auto detailing businesses in the area by the second year of business.
- Establish a list of repeat customers through excellent customer service and quality work.

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## INDUSTRY AND MARKET

### Industry Analysis

According to the International Car Washing Association, the professional car wash industry is a \$23 billion dollar industry. The organization made the following statement on its website in 2010:

The professional car wash industry cleans the world's automobiles in the safest, most convenient, and environmentally responsible manner. With more vehicles on the road and more car washes being purchased by motorists than ever before, this industry's best days are still to come.

There are three types of detailing operations: mobile, express, and site-based. Johnson's will operate as a mobile service for two reasons: (a) start-up costs are minimal and (b) it is easier to generate business if the service comes to where the customers are, rather than vice versa.

### Market Analysis

The market for Johnson's Mobile Detail consists of two main groups—individual car owners and car dealerships—in the city of Columbia, Missouri.

Columbia has grown significantly in the past decade and is expected to see continued growth. It is consistently rated one of the best places to live in America by such well-known entities as *Forbes*, *Money* magazine, and Kiplinger.com due to its excellent educational systems, access to health care, and quality of life. For example, in 2007 *Forbes* ranked Columbia "Third Best Metro for Business and Careers" in its study that factored in the cost of doing business, job growth, and educational attainment. Also, unlike many small towns in Missouri, which are losing population, Columbia's population is growing. Due to these factors of demographics and growth trends as well as others, we see significant potential for an auto detailing service in this location.

### Competition

Competition will come from other mobile detailing services in the area that offer the same types of services, including:

- Squeaky Clean Car Wash and Detailing
- Tiger Auto Detailing
- Autos Inc.

Some competition should be expected from the one major on-site service in Columbia, Columbia Car Wash, but operating as a mobile service will give Johnson's the advantage of bringing the service to the customers.

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## PERSONNEL

### Management

Robert and Misty Johnson are the owners and managers of Johnson's Mobile Detail. Misty will act as administrative assistant and will perform such duties as answering the phone, maintaining the website,

scheduling appointments, and bookkeeping. Misty has a bachelor of arts degree in accounting from Central Methodist University in Fayette, Missouri. Robert, who will do much of the manual labor as well as supervise other car-wash employees, has a bachelor's degree in business from the University of Missouri and thus has the knowledge and skills needed to run a small business. In addition, Robert worked part-time at a car dealership during high school and college, and his duties included detailing used cars for resale. Robert also has an interest in the business as a result of his participation in the Mid-Missouri Classic Car Club.

### **Staffing**

Johnson's will hire two part-time employees to help wash and detail vehicles. Each employee will work with Robert as the second half of a two-person team and will be trained and closely supervised by Robert. Hours will vary depending on time of year, with the summer months being the busiest, and scheduled appointment times, but each employee is expected to work approximately 20 hours a week. Qualifications include a high school diploma, the ability to perform fairly strenuous manual labor, and the willingness to work a flexible schedule. Employees will be paid \$15 an hour, which is slightly higher than average for this type of work in the Columbia area, in order to obtain and retain high-quality staff. Because Columbia is home to three 4-year colleges, most likely these employees will be drawn from this large college student population.

### **Professional and Advisory Support**

Robert is a member of the International Car Wash Association (ICWA), a membership association whose primary mission is to "serve the needs of the car wash and detailing industry's professionals and to represent their interests," according to its website. According to the ICWA, members are 21 percent more successful in their businesses than nonmembers. Some of the benefits of membership in the ICWA include attendance discounts at the annual Car Care World Expo, the opportunity to participate in the organization's Business Improvement Groups, which are peer-networking groups comprised of car wash and detail service providers in noncompeting markets, and access to numerous publications and resources, including a weekly newsletter, a monthly broadcast, and an annual study of U.S. consumer attitudes and habits related to car wash services. Membership fees are \$225 per year.

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## **STRATEGIES**

### **Business Strategy**

Auto detailing is a service industry; therefore the goal is not to sell products but to provide services to the clients who desire them. Although some industries must advertise to convince customers that they need the service that they provide, auto detailers must advertise to convince customers that their business is the best one to provide those services. For example, many affluent luxury car owners consider car washing and detailing a standard and necessary service. The objective of Johnson's is to convince those people that (a) Johnson's is the best business to provide those services and (b) it will be well worth the money they invest. Once Robert schedules a new client, the goal is to perform the services in a way that keeps that client coming back. This goal is achieved by providing quality service in a timely, professional manner at a competitive rate.

### **Growth Strategy**

The potential for growth in the detailing business is nearly unlimited. Once the business has taken hold in the community and has established a reputation for being a high-quality service provider in the auto detailing industry, expansion can take place in a number of areas. Examples include expanding service to more boat and airplane owners and tapping into markets such as hotels with concierge services, car

leasing companies, and other related businesses. In addition, the demand for these services in the used car industry is high and can be expanded on in the future.

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## PRODUCTS AND SERVICES

### Description

Johnson's Mobile Detail will provide the following services:

- Exterior wash, including the engine, exterior of the vehicle, and wheels
- Exterior wax and polish
- Interior cleaning, including removing all trash and dirt; wiping down all surfaces; and vacuuming and shampooing the carpets, seats, and trunk area
- Window cleaning, both inside and outside
- Detailing all interior parts (buttons, switches, vents, crevices, instrument panels, etc.) and exterior parts (chrome and trim moldings, fenders, wheels/tires, etc.).

### Unique Features/Niche

Auto detailing can be a messy business. The strength of Johnson's Mobile Detail is that the car is returned looking like new again. In the rare cases that Johnson's cannot clean the vehicle to a high standard, for one reason or another, Robert will discuss the options with the client before the service is performed. However, the main philosophy at Johnson's is "no excuses." Car owners do not want to hear "Well . . . I might be able to get that spot out, but I can't guarantee it" or "I will do the best I can, and we'll see what we end up with." With the tools and products Robert has learned work best, Johnson's will remove such problems as pet hair and urine, vomit, chewing gum, tar/asphalt, mold, ink stains, and food and beverage spills. In addition, the elimination of bad odors, including cigarette smoke, is guaranteed.

Another unique feature of Johnson's is its professionalism. Robert and all employees will wear uniforms that consist of navy pants and light blue shirts bearing the business's name. Attire such as baseball caps, T-shirts, and worn-out tennis shoes will not be allowed. Employees are expected to be clean-shaven or have neatly trimmed beards or moustaches. These guidelines are put into place in order to provide the impression that Johnson's has a high standard and level of professionalism.

### Pricing

The basic full-service car wash and detail package, which includes the following services, will be priced at \$125. Robert can adjust cost on a case-by-case basis if the client wants to customize services.

#### Exterior

- Hand-wash and dry exterior, including windows
- Hand-wax and polish exterior
- Remove (claybar) exterior containments
- Decontaminate paint surface
- Degrease, scrub, and shine tires
- Remove all bugs/tar/soot/salt
- Wash wheel wells
- Polish metal and chrome
- Steam-wash engine

### **Interior**

- Clean all interior surfaces, including windows
- Vacuum and shampoo carpets, floor mats, trunk
- Clean headliner
- Clean and polish door jambs, door panels, consoles, trunk jambs
- Q-tip vents, knobs, buttons, crevices
- Clean and condition all vinyl, rubber, and leather
- Remove odor and add air freshener (if desired)

In addition, Johnson's will offer a maintenance program, which includes the above services once a month in addition to an exterior wash and interior wipe-down and vacuum once a week. The price of this option is \$300 a month.

Used car dealerships will be offered a discounted price based on volume (i.e., how many cars the dealership needs washed and how often) and less time spent on detailing. In the future, Johnson's will attempt to obtain monthly contracts with these businesses, which will supply an ongoing source of income.

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## **MARKETING AND SALES**

### **Advertising and Promotion**

The main forms of advertising for Johnson's Mobile Detail will consist of (a) a website, (b) brochures placed in select locations, (c) a quarter-page ad in the local monthly magazine *Inside Columbia*, and (d) word-of-mouth. In addition, Robert will attend and provide brochures at local-area car shows. The business name, phone number, and website will also be advertised on the sides of the business' truck and trailer.

### **Cost**

Costs of advertising include \$200 a month for the ad in *Inside Columbia*. Misty will create the ad and will change the copy about every three months. Coupons and specials may also be a part of the ad. Misty will also create the brochures, which will be printed on high-quality paper at a local copy shop and will cost approximately \$100 a month. Vehicle signs, produced by a local car sign shop, will require a one-time investment of \$100.

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## **OPERATIONS**

### **Customers**

Customers for Johnson's can be categorized into two main groups: affluent car owners and local car dealerships in the Columbia, Missouri, area. Columbia has a population of about 94,000, and 27 percent of Columbia households have incomes above \$75,000. Most of these households are located in the southern part of the city. In addition, there are several large car dealerships in town, including Joe Machens Ford, University Chrysler, and Dodge City, among others. These dealerships sell both new and used cars, and the demand for detailing used cars in order to prepare them for reselling is high. Also, auto detailing customers tend to have a higher level of education. According to the U.S. Census Bureau, more than half of Columbia residents have bachelor's degrees and more than a quarter hold master's degrees, making it the thirteenth most highly educated city in the United States. These demographics also make the city an ideal setting for an auto detailing business.

## AUTO DETAILING

### Equipment

The largest piece of equipment needed for start-up is a mobile detailing trailer. These trailers come with such accessories as water reserves, water reclamation systems, and tanks and hoses and allow Johnson's to wash and detail on-site. Robert will use a 2010 F250 pick-up truck to pull the trailer, and the trailer will be painted to match the truck to ensure a professional image.

Other necessary equipment includes a vacuum and carpet shampooer and a steam cleaner for engines. Cleaning supplies required include sponges/towels, brushes, buckets, exterior soap, interior spray cleaner, degreaser, wax, claybars, air freshener, leather and vinyl conditioner, and window cleaner.

### Hours

Customers can schedule service any time between 7 a.m. and 9 p.m. Monday through Saturday. Service will be available on Sunday from noon to 9 p.m.

### Facility and Location

Johnson's is a mobile operation, and as such the business address will be the same as the Johnsons' home: 1550 Wildwood Road, Columbia, Missouri.

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## FINANCIAL ANALYSIS

Start-up expenses	Cost
Detailing trailer	\$4,000
Vacuum/carpet shampooer	\$ 400
Steam cleaner	\$ 600
Uniforms	\$ 100
Vehicle signs	\$ 100
Association membership dues	\$ 225
Cleaning supplies	\$ 300
Advertising	\$ 300
Business license	\$ 100
Office supplies and misc.	\$ 100
<b>Total start-up expenses</b>	<b>\$6,225</b>

Funding for start-up expenses will come from the Johnsons' personal savings account.

Monthly expenses	Cost
Cleaning supplies	\$ 100
Gas and oil	\$ 500
Insurance	\$ 100
Equipment maintenance/repair	\$ 100
Part-time employee salaries	\$2,400
Advertising	\$ 200
<b>Total monthly expenses</b>	<b>\$3,400</b>

Annual income in the following estimate is averaged across 12 months. Expenses are increased 5 percent annually and 10 percent for each additional 10 clients.

Year	No. individual car washes per month @ \$125 each	No. maintenance contracts per month @ \$300 each	Total income	Minus expenses	Total gross profit
Year 1	30	5	\$ 63,000	\$40,800	\$22,200
Year 2	40	10	\$ 96,000	\$48,960	\$47,040
Year 3	50	15	\$129,000	\$58,752	\$70,248